

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

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|---|--|--|----------------------|
| (1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector | (2) MEETING DATE 12/15/2015 | (3) CONTACT/PHONE Kerry Bailey Suzanne DeWitt 788-2979 781-4846 | |
| (4) SUBJECT Submittal of the report for the Henkels & McCoy, Inc. Workforce Investment Act Annual Fiscal and Procurement Review for program years 2013-2014 and 2014-2015. All Districts. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the report for the Henkels & McCoy, Inc. Workforce Investment Act Annual Fiscal and Procurement Review for program years 2013-2014 and 2014-2015 and the Henkels & McCoy response to findings. | | | |
| (6) FUNDING SOURCE(S) N/A | (7) CURRENT YEAR FINANCIAL IMPACT \$0.00 | (8) ANNUAL FINANCIAL IMPACT \$0.00 | (9) BUDGETED? Yes |
| (10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____) | | | |
| (11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A | | | |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A | | (13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A | |
| (14) LOCATION MAP N/A | (15) BUSINESS IMPACT STATEMENT? No | (16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____ | |
| (17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i> | | | |
| (18) SUPERVISOR DISTRICT(S) All Districts | | | |

County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA, Auditor - Controller - Treasurer - Tax Collector

DATE: 12/15/2015

SUBJECT: Submittal of the report for the Henkels & McCoy, Inc. Workforce Investment Act Annual Fiscal and Procurement Review for program years 2013-2014 and 2014-2015. All Districts.

RECOMMENDATION

It is recommended that the Board receive, review, and file the report for the Henkels & McCoy, Inc. Workforce Investment Act Annual Fiscal and Procurement Review for program years 2013-2014 and 2014-2015 and the Henkels & McCoy response to findings.

DISCUSSION

California implemented the federal Workforce Investment Act (WIA) of 1998 in the year 2000 with the goal of building a comprehensive workforce investment system that would increase employment opportunities, job earnings and retention while improving occupational skills to sustain California's economic growth in future years.

Henkels & McCoy, Inc (H&M) was selected to provide targeted youth employment services to older and out-of school youth in San Luis Obispo County. H&M was selected based on their experience with implementing employment and work programs for WIA - eligible at-risk youth. The Board approved an initial contract dated February 4, 2014 for H&M to provide youth services to the North County area. The Board also approved a contract dated March 17, 2015 which increased H&M's service area to all of San Luis Obispo County.

The purpose of our review was to determine H&M's level of compliance with applicable federal and state laws, regulations, policies and directives related to the WIA funds regarding financial management and procurement for program years 2013-14 and 2014-15.

We have attached our monitoring report which includes two fiscal review findings and one procurement review finding. We have also attached H&M's response to our findings.

OTHER AGENCY INVOLVEMENT/IMPACT

Department of Social Services

FINANCIAL CONSIDERATIONS

The County contracted with Henkels & McCoy, Inc. for \$344,026 for program years 2013-2014 and 2014-2015.

RESULTS

We determined Henkels & McCoy, Inc. generally met applicable WIA requirements concerning both financial management and procurement practices for program years 2013-2014 and 2014-2015.

However, we found three instances where H&M did not comply with WIA regulations, and we made a suggested improvement for an issue which did not rise to the level of non-compliance. Our findings and recommendations are detailed in the attached report. Henkels & McCoy's responses to our findings are also attached.

ATTACHMENTS

1. Final Monitoring Report
2. Henkels & McCoy, Inc. Response